

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

Belk Post Office  
Belk, Alabama

Docket No. A2011-82

ORDER AFFIRMING DETERMINATION

(Issued January 11, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012, are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On September 22, 2011, Ronald Waldrop, Mayor of Belk, Alabama (Petitioner) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Belk, Alabama post office (Belk post office).<sup>2</sup> The Final Determination to close the Belk post office is affirmed.

## II. PROCEDURAL HISTORY

On September 26, 2011, the Commission established Docket No. A2011-82 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>3</sup>

On October 7, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>4</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>5</sup>

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<sup>2</sup> Petition for Review received from Ronald Waldrop, Mayor, regarding the Belk, Alabama post office 35545, September 22, 2011 (Petition).

<sup>3</sup> Order No. 872, Notice and Order Accepting Appeal and Establishing Procedural Schedule, September 26, 2011.

<sup>4</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing, October 7, 2011 (Administrative Record). The Administrative Record includes, as Item No. 49, the Final Determination to Close the Belk, AL Post Office and Continue to Provide Service by Independent Post Office (Final Determination).

<sup>5</sup> United States Postal Service Comments Regarding Appeal, November 16, 2011 (Postal Service Comments).

On October 12, 2011, Petitioner filed a Participant Statement supporting his Petition.<sup>6</sup> Petitioner filed additional correspondence with the Commission on November 2, 2011.<sup>7</sup>

### III. BACKGROUND

The Belk post office provides retail postal services and service to 84 post office box customers. Final Determination at 2. No delivery customers are served through this post office. The Belk post office, an EAS-11 level facility, has retail access hours of 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m., Monday through Friday, and 8:30 a.m. to 10:30 a.m. on Saturday. Lobby access hours are 24 hours a day Monday through Saturday. *Id.*

The postmaster position became vacant on November 30, 2009, when the Belk postmaster retired. A non-career officer-in-charge (OIC) was installed to operate the office. Retail transactions average 19 transactions daily (25 minutes of retail workload). Post office receipts for the last 3 years were \$26,528 in FY 2008; \$23,246 in FY 2009; and \$20,756 in FY 2010. There is one permit or postage meter customer. *Id.* By closing this post office, the Postal Service anticipates savings of \$44,279 annually. *Id.* at 12.

After the closure, retail services will be provided by the Fayette post office located approximately 6 miles away, and the Kennedy post office located approximately 5 miles away.<sup>8</sup> *Id.* at 2. Delivery service will be provided by an independent post office through the Fayette post office. The Fayette post office is an EAS-20 level post office, with retail hours of 8:30 a.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 12:00 p.m. on Saturday. The Kennedy post office is an EAS-16 level post office, with

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<sup>6</sup> Participant Statement received from Ronald Waldrop, Mayor, October 12, 2011 (Participant Statement).

<sup>7</sup> Letter received from Ronald Waldrop, Mayor, November 2, 2011.

<sup>8</sup> MapQuest estimates the driving distance between the Belk and Fayette post offices to be approximately 8.0 miles (11 minutes driving time); between the Belk and Kennedy post offices to be approximately 6.1 miles (14 minutes driving time).

retail hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, and 8:00 a.m. to 10:00 a.m. on Saturday. One-hundred-nineteen post office boxes are available at the Fayette post office and 99 at the Kennedy post office. *Id.* The Postal Service will continue to use the Belk name and ZIP Code. *Id.* at 8, Concern No. 25.

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner opposes the closure of the Belk post office. He argues that the Town of Belk includes more than 20 businesses and that the closure will force citizens to drive 15 to 20 miles for postal services. Petition at 1. The Participant Statement identifies the issues Petitioner contends the Postal Service did not consider in its review of the closing of the Belk post office. Participant Statement at 2. Those issues include the distance to the Fayette post office; the fact that Belk is a thriving community with multiple businesses; and the excellent work of the current OIC. *Id.*

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the Belk post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Belk community; and (3) the impact on the postal employees. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Belk post office should be affirmed. *Id.* at 2.

The Postal Service explains that its decision to close the Belk post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- minimal impact on the community; and
- expected financial savings.

*Id.* at 4. The Postal Service contends that it will continue to provide regular and effective postal services to the Belk community when the Final Determination is implemented. *Id.* at 5.

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, the effect on the Belk community, and the effect on postal employees. *Id.*

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may

be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The record indicates the Postal Service took the following steps in reaching its Final Determination. On April 1, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Belk post office. Final Determination at 2. A total of 115 questionnaires were distributed and 38 were returned. On April 19, 2011, the Postal Service held a community meeting at the Belk Community Center to address customer concerns. Administrative Record, Item 24 (Community Meeting Roster). Sixty-five customers attended. *Id.*

The Postal Service posted the proposal to close the Belk post office with an invitation for comments at the Belk, Fayette, and Kennedy post offices from May 23, 2011 through June 24, 2011. Final Determination at 2. The Final Determination was posted at the same three post offices from September 8, 2011 through October 10, 2011. *Id.* at 1, 13.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

#### B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* Belk, Alabama is an incorporated community located in Fayette County, Alabama. Administrative Record, Item No. 18 (Post Office Fact Sheet). The community is administered politically by a Mayor and Town Council. Administrative Record, Item No. 16 (Community Fact Sheet). Police protection is provided by the Fayette Sheriff Department. Fire protection is provided by the Belk Volunteer Fire Department. The community is comprised of farmers, retirees, self-employed individuals, and those who commute to work in nearby communities and for local

businesses. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Belk community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Belk post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-11, 12.

Petitioner contends that the Postal Service has not adequately considered the effect of the closing on the Belk community. Petition at 1; Participant Statement at 2. The Postal Service contends that it considered this issue and explains that customers could continue to meet informally, socialize, and share information at the other businesses, churches, and residences in town. Postal Service Comments at 8-9. The Postal Service further explains that customers would continue to use local businesses despite the closing. *Id.* at 7. The Postal Service is also addressing this concern through preservation of the community identity by continuing the use of the Belk name and ZIP Code in addresses. *Id.* at 9.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the Belk postmaster retired on November 30, 2009, and that an OIC has operated the Belk post office since then. Postal Service Comments at 10; Final Determination at 2. It asserts that after the Final Determination is implemented, the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.* It also asserts that Petitioner's statement of the excellent work of the OIC does not outweigh the other considerations cited in support of the Final Determination. Postal Service Comments at 11.

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Belk post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to Belk customers. Postal Service Comments at 5. It asserts that customers of the closed Belk post office may obtain retail services at the Fayette post office located 6 miles away and the Kennedy post office located 5 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Fayette post office. *Id.* The Belk post office box customers may obtain Post Office Box service at the Fayette post office, which has 119 boxes available, and at the Kennedy post office, which has 99 boxes available. *Id.*

For customers choosing not to travel to the Fayette or Kennedy post offices, the Postal Service explains that retail services will be available from the carrier. *Id.* at 11. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioner argues that travel to the Fayette and Kennedy post offices will be inconvenient. Petitioner Statement at 2. The Postal Service explains, however, that carrier service is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the post office for service. Postal Service Comments at 6.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$44,279. Final Determination at 12. It derives this figure by summing the following costs: postmaster salary (\$33,166) and benefits (\$11,111).<sup>9</sup> *Id.* Replacement service will be provided through rural or Highway Contract Route carrier service emanating from the Fayette post office. Final Determination at 2. The Postal Service asserts that it can

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<sup>9</sup> The post office facility is owned by the Postal Service. Administrative Record, Item 15 at 1.



absorb the cost of the extra deliveries without additional employees and for minimal additional costs. *Id.* at 8, 9, 11, Concern Nos. 26, 28, 33, 37, 62.

The Commission has previously stated that the Postal Service should not compute savings based on compensation costs unless there is a reasonable assurance that closing will actually eliminate those costs. The Belk post office postmaster retired on November 30, 2009. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67, United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the Belk post office has been staffed by an OIC for over 2 years, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

## VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Belk post office is affirmed.

*It is ordered:*

The Postal Service's determination to close the Belk, Alabama post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Belk post office has been operated by an officer-in-charge (OIC) since the former postmaster retired on November 30, 2009. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal; yet on the other hand, it argues that the savings should be calculated using a full-time position.

There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data was in the record. Therefore, the decision to close should be remanded to the Postal Service to correct the record and present a more considered evaluation of potential savings.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011 have the respite of a 5-month moratorium.

The citizens of Belk, Alabama and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that since November 2009, a non-career postmaster relief (PMR) has been in charge of this facility, not an EAS-11 postmaster. The PMR's salary and benefits should be reflected in its cost savings analysis.

As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Postal Service's decision to discontinue operations at the Belk post office is unsupported by evidence on the Administrative Record and, thus, should be remanded.

Nanci E. Langley